Telephone Management

- **Single business lines** - replace commercial lines with government single lines on Army installations.
- **Tariff rates** and charges- Contract for longer periods of time instead of month to month rates on future bills, don't pay for something you are not getting.
- **DSN service** - Query monthly bills for duplicate calls, review abusive calls over 30 minutes and use PIN numbers.
- **DSN Precedence** - Remove precedence service.
- **Directory assistance** - Block directory assistance on all lines paid for by the Army.
- **FTS 2001 (MCI)** - When possible, make FTS 2001 the long distance carrier on all commercial lines outside Army installations. Use FTS 2001 calling cards for all other long distance calls.
- **Third party billing** - Block all third party billing on the switch and notify vendors that the government does not pay third party billing.
- **Cellular Phone and Pagers –** Stronger management control.
- **Late charges -** Pay all bills when they arrive and validate calls later, request credits on any billing errors or collect unofficial calls from the caller.
- **Lease Backs –** Insure the benefit is equal to or greater than the value provided by the Army.
- **Taxes –** Most Army activities are exempt from state and local taxes, check the bills.
- **Call Management –** Get control of the cost of telephone services and place liability of the user.
- **Rebate/Credit**– If overcharged, get a refund.

Telephone Management

1. **Eliminate commercial business lines on Army installations**. Most installations own the telephone switch and provide access to the users from government owned lines. This is the most cost-effective means of providing telephone service to users on the installation. Unnecessary, costly commercial lines should be eliminated.

2. **Tariff rates**. Rates paid to the local Telephone Company are controlled by tariff rates established by State Public Utility Commission and the Federal Communications Commission. The installation should insure that they are not being charged at a rate greater than the established tariff and that the most economical tariff is being used (monthly rates are more expensive than annual or multiyear). With the advent of the Telecommunications Act of 1996, there is competition in providing local telephone service and replacing a traditional CSA with a competitively awarded contract should provide rates that are lower than the least expensive tariff. Review bills for services that have, or should be, discontinued. Suggestions for competitive acquisition include:
   a. Contract for longer periods - 5 Years (1 year with 4 option years)
   b. Bundle services
   c. Technology refreshment

3. **DSN Service -** Analyze monthly DSN telecommunications bills. Past experience has shown:
   a. Duplicate bills
   b. Calls of excessive duration
   c. Certain telephone numbers called excessively
   d. Calls to operators at other installations (using DSN to make calls home, operators at other end connect to local telephone system).
   e. Using DOD Operators place calls to local numbers and long distance FTS calls.

4. **DSN Precedence lines.** Eliminate the use of precedence lines. Most senior officials and local operators are not aware the lines exist and have no need for them. If the senior leadership requires precedence lines, the number and access should be minimized. Use PIN to enable better management of DSN and commercial rates. In addition to identifying bad habits, PIN provide the means to identify and recover the cost for waste, fraud and abuse.

5. **Directory Assistance.** Blocking directory assistance will reduce telephone costs. Blocking directory assistance on installation and commercial line saves money by eliminating the cost of that service. An unacceptable expense can occur is people use directory assistance when other mean of obtaining the information is readily available and less costly.

6. **FTS 2001**. Select FTS 2001 as the primary long distance carrier. Negotiated rate are:

a. Worse case: Starts at 5 cents a minute and goes down to 2 cents a minute in the 4th year.
b. Best Case: Starts at 2 cents a minute and goes down to less than 1 cent a minute in the 4th year
c. Plus: Rebates – give in 3rd Qtr to use in 4th Qtr.
  (1) Year 2 – 15%
  (2) Year 3 – 20%
  (3) Year 4 – 25%
d. Access to commercial long distance carriers should be blocked at the switch.
e. Use the most economical mean of connecting to MCI. Though it is location dependent, multiple T1 circuits from the installation switch to the FTS2001 POP is more expensive than higher capacity circuits. For example at one location, 14 T1 circuits costing $12K per month could be replaced with one DS-3 at $5.8K per month.

7. **Block Third Party Billing**. Blocking third party billing reduces unofficial/unauthorized long distance calls. Some examples of third party billing are:
a. Telephone call to psychic and erotic hotline.
b. Calls to dating service.
c. Voice mail.
d. Unofficial commercial calls.

8. **Cellular Telephones and Pagers**:
a. Cellular telephones should not be used to make long distance calls while TDY.
b. Long distance calls should be made using DSN, FTS or government calling cards.
c. Establish cellular and pager management:
  (1) Justifying acquisition requests.
  (2) Establish a reutilization program.
  (3) Account for cellular telephones and pagers.
  (4) Certify monthly cellular telephone and pager bills.
  (5) Conduct periodic reviews of cellular telephone and pager usage and vendor service plans.

9. **Late charges** - Pay all bills when they arrive and validate calls later, request credits from the local telco on any billing errors or collect cost of unofficial calls (outside policy) from the caller.
a. Pay the bill right away and then with the assistance of the contract officer, reconcile the telephone bill and resolve the billing issues. Credits and reimbursements can catch up later.
b. Use of IMPAC to pay vendors can speed payments.
c. Using paper free billing saves mail delays and cost of producing paper reports.

10. **Lease Backs –** In order to provide services on an installation, there are cases where a commerial vendor will need to use Army capabilities. The use of those capabilites is normally accomplished through an agreement between the vendor and the government, where the vendor pays for the use of the capability or reimburses the government with in-kind services. Sometime the original value of the capabilities provided is less then the

current value and the agreements have not be updated. In some cases the capabilities are provided to the vendor at a “bargain” rate with the expectation that the vendor will pass the reduced cost on to the customer. The final rates charged to the customer need to reviewed periodically to insure that they do in fact reflect the reduces cost of government capabilities afforded to the vendor, i.e. make sure that lease of government capability (in kind payment) is providing the intended benefit/cost advantage. Some government capabilities are leased to commercial activities to support providing service to MWR needs. A case in point would be where a vendor is using Army outside cable plant to provide telephone service to soldiers in barracks. The Army is charging a minimal fee for the use of the outside cable plant and expects that the rate charged the soldier will be less than the prevailing commercial rate.

11. **Taxes** - Federal agencies are exempt from some taxes. Insure that taxes are not being included in the billing.

12. Call management

a. Review call detail, require reimbursement for unofficial calls (exceeding latitude provided in propose “Personal Use” policy from DA or modified locally).
b. Institute PIN numbers to reduce costs.

13. **Rebate/Credit -** Rebates and credits of over charges can be negotiated with the telephone company so that the refund or credit can be used to offset future expenses or can be used by the installation for other critical needs. Most refunds or credits involve charges that occurred in prior years and would, by statute, be returned to the US Treasury.

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